

REMARKS

Reconsideration of the present application is respectfully requested. Claims 9-16 and 46-49 have been canceled. Claims 1 and 41 have been amended.

Claims 8 and 46 stand rejected under 35 U.S.C. § 101 as allegedly being directed to non-statutory subject matter. Claims 1-56 stand rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable based on U.S. Patent no. 6,609,113 of O'Leary et al. ("O'Leary").

Claim 1 has been amended to place that claim in what Applicants consider to be better form. Claim 41 has been amended to correct a typographical error. Neither of these claims has been amended in response to the rejections or to comply with any requirement of patentability, since no amendments are believed to be necessary for such purposes.

Applicants respectfully traverse the rejections.

I. § 101 Rejections

Claims 8 and 46 stand rejected under 35 U.S.C. § 101 as allegedly being directed to non-statutory subject matter. Claim 46 has been cancelled, rendering the rejection of that claim moot. As to claim 8, Applicants respectfully traverse.

Claim 8 is a dependent claim, which depends indirectly on claim 1. A dependent claim is not directed to non-statutory subject matter if it depends on a claim which is directed to statutory subject matter, since the dependent claim incorporates all limitations of every claim on which it depends, either directly or indirectly. Therefore, to

the extent claim 1 recites statutory subject matter (which it does), claim 8 also must also necessarily recite statutory subject matter, by virtue of its dependency on claim 1. The Examiner has not rejected claim 1 based on § 101 (nor would such a rejection be justifiable). Therefore, the rejection of claim 8 under § 101 is improper and should be withdrawn.

II. § 103 Rejections

Applicants respectfully traverse the rejections under § 103 for two main reasons: First, the Examiner has not established a *prima facie* case of obviousness and therefore has not triggered Applicants' obligation to respond substantively to the rejection. Second, the cited art does not come close to disclosing or even suggesting the subject matter in Applicants' claims.

A. No Prima Face Case of Obviousness

The Examiner has the burden of establishing a *prima facie* case of obviousness by showing some objective teaching or generally available knowledge in the art that would lead one to create the claimed invention. *In re Fine*, 5 USPQ.2d 1596 (Fed. Cir. 1988). See also *In re Bell*, 991 F.2d 781 (Fed. Cir. 1993). Only if the Examiner meets that burden does the burden then shift to the Applicant to establish that subject matter is disqualified as prior art. *In re Oetiker*, 977 F.2d 1443 (Fed. Cir. 1992); MPEP 2142. The examiner must present a convincing line of reasoning as to why the artisan would have found the claimed invention to have been obvious in light of the teachings of the references." MPEP 2142 (quoting *Ex parte Clapp*, 227 USPQ 972, 973 (Bd. Pat. App. & Inter. 1985).

Furthermore, the Examiner is required under the test set forth in *Graham v. John Deere Co.* to make three basic factual inquiries in making an obviousness determination under § 103: (1) the scope and content of the prior art, (2) the differences between the prior art and the claims at issue, and (3) the level or ordinary skill in the pertinent art.' *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966).

In the present Office Action, the Examiner makes no attempt to do the required element-by-element mapping of the cited reference (O'Leary) to Applicants claims. Rather, the Examiner merely provides a one-paragraph "laundry list" of certain claim elements found in certain claims (Office Action, p. 3) and concludes summarily that O'Leary discloses those features. The Examiner has not attempted to specifically address any particular claim in the Office Action; yet the present application includes a variety of different claims, directed to different aspects of the invention and having substantially differing scopes. All of those claims cannot be fairly addressed in one general, conclusory paragraph, as done in the present Office Action.

Furthermore, the Examiner has made no genuine attempt to cite any particular part(s) of the disclosure in O'Leary. Instead, the Examiner cites a thirty-column long section of O'Leary (in other words, the entire text of O'Leary) and provides an only-slightly more focused cite to columns 1-5 and 9 (Office Action, p. 3). These general citations do not provide Applicants with any understanding of how the Examiner is attempting to map the reference to Applicants' claims. An Examiner is required "to properly communicate the basis for a rejection so that the issues can be identified early and the applicant can be given a fair opportunity to reply." MPEP § 706.02(j)

By not addressing any of Applicants' claims specifically, and by not providing any specific cites to O'Leary, the Examiner has failed to establish a *prima facie* case of obviousness regarding any claim. Consequently, Applicants so far have not been given a fair opportunity to respond to the rejection substantively, nor do Applicants have any obligation to respond substantively at this point. Therefore, if the Examiner does not find all claims to be allowable after considering this response, Applicants submit that the next Office Action (if any) must be made non-final.

Further, the Examiner neglected to make the three factual inquiries required under *Graham v. John Deere Co.* In particular, the Examiner has not identified any of the (numerous) differences between the prior art and the claims.

Finally, the Examiner concludes the rejection with the following statement:

It is noted that AT&T, AOL, and Paypal (among others) have offered this invention's services for many years prior to the date of this application. It would have been obvious to one skilled in the art at the time of the invention to have been aware of these facts and to have applied those teachings to any development of a telephonic payment system, as it would have been common sense and advantageous and would have led to a more efficient and comprehensive payment system. (Office Action, pp. 3-4).

First, regarding this statement, Applicants do not know what the Examiner means by "this invention's services". The present application includes a number of independent claims directed to various different aspects of a credit based payment system for use in connection with wireless devices. The Examiner's statement is far too vague to enable a substantive response, in that it does not refer to any particular claim limitations.

Second, regarding AT&T, AOL, and Paypal, it is unclear whether the Examiner is relying upon his own personal knowledge, common knowledge in the art, Official Notice, or some other source of information. Note that Official Notice, if unsupported by documentary evidence, is only proper if the facts asserted to be well-known are capable of instant and unquestionable demonstration as being well-known. *In re Ahlert*, 424 F.2d 1088, 1091, 165 USPQ 418, 420 (CCPA 1970). "Deficiencies of the cited referenced cannot be remedied by . . . general conclusions about what is 'basic knowledge' or 'common sense'." *In re Zurko*, 258 F.3d 1379, 1385 (Fed. Cir. 2001). Furthermore, a reference to common knowledge does not make it so, absent evidence of such knowledge. *In re Sang Su Lee*, 2002 U.S. App. LEXIS 855, *16 (Fed. Cir. 2002) (emphasis added).

If the Examiner is relying upon common knowledge or Official Notice and intends to maintain this rejection, Applicant requests that the Examiner provide evidence of the facts of which such common knowledge or Official Notice is taken, as required by MPEP § 2144.03.

If the Examiner is relying upon personal knowledge, Applicant requests that the Examiner provide an affidavit or declaration attesting to that, as required by MPEP § 2144.03.

For at least the reasons set forth above, Applicants respectfully submit that the rejections are improper and should be withdrawn.

B. No Disclosure or Suggestion of the Claimed Subject Matter in the Cited Art

A reasonably careful comparison of Applicants' claims with the cited art will reveal that the cited art does not come close to disclosing or suggesting what Applicants claim. Applicants have no current obligation to respond substantively to the § 103 rejections, for the reasons stated above. Nonetheless, in the interest of expediting prosecution, Applicants provide the following remarks.

The present invention provides a new modality of credit card payment that can benefit all parties involved in a transaction, particularly when the consumer has a wireless communication device such as a cell phone. Among other advantages, the invention helps to substantially reduce fraud risk associated with such credit card transactions, without appreciably increasing costs. In addition, the invention is amenable to quick and widespread acceptance in the marketplace, because it requires little or no additional hardware, no significant changes to merchant authorization and clearing procedures, and little or no effort or training of merchants and consumers.

To that end, in certain embodiments the invention enables a wireless telecommunications network operator ("wireless carrier") to validate the identities of credit card users who use wireless devices such as cellular telephones (and who therefore subscribe to the carrier's service), and to ensure that the credit card users approve the transactions and receive receipts for the transactions.

Accordingly, claim 1 provides:

1. (Currently amended) A method for a telecommunications carrier to facilitate a credit card transaction between a consumer and a provider of a product or service, the method comprising:
the telecommunications carrier providing telecommunications

services to users of a plurality of wireless communications devices on a wireless communications network, the plurality of users including said consumer; and
the telecommunications carrier validating the credit card transaction between the consumer and the provider.
(Emphasis added.)

O'Leary provides no disclosure or suggestion of a telecommunications carrier validating a credit card transaction between a consumer and a provider of goods or services, nor any indication of why that would be desirable. In fact, while O'Leary briefly mentions that a user can access the system from a mobile device such as a cell phone, O'Leary makes no mention of a telecommunications carrier. Applicant does not deny that a telecommunications carrier must be involved in some way if a cell phone is used; but the point is that O'Leary fails to suggest giving the telecommunications carrier any substantial role in the transaction, and certainly not validating the transaction.

Similar limitations may be found in other claims in the present application. In addition, the present application includes a number of more detailed independent claims which include numerous limitations that are not disclosed or suggested in O'Leary (e.g., claims 17, 24, 33, 39, 41 and 50). This is because the present invention takes an entirely different approach from O'Leary and, as recited in those claims, is implemented in a completely different way. Applicant is not obligated to point out the specific differences at this point, for the reasons stated above. However, those differences will be readily apparent from a reasonably careful reading of the claims and O'Leary.

It should be noted that O'Leary and the present invention are directed to different types of payment scenarios. O'Leary is mainly concerned with the scenario in which the consumer is interacting with a merchant's web site; the present invention is not. The

present invention is mainly concerned with the scenario in which the consumer is physically present at the merchant's business location (though that does not have to be the case).

The present invention is advantageous in that it can be implemented using existing communications and computing hardware infrastructure and without the necessity to retrain merchants or consumers. This is in contrast with the system of O'Leary, which requires the adoption of significant additional infrastructure and retraining of merchants and consumers.

In summary, it is clear from a real comparison of Applicants' claims with the cited art that the cited art does not come close to suggesting what Applicants claim.

Conclusion

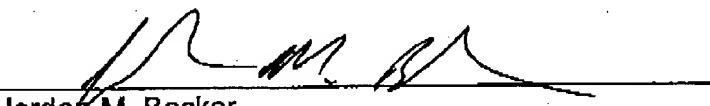
For the foregoing reasons, the present application is believed to be in condition for allowance, and such action is earnestly requested.

If there are any additional charges, please charge Deposit Account No. 02-2666.

Respectfully submitted,

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